Smile™

McDonald's
Happy Meal Experience
Powered by...

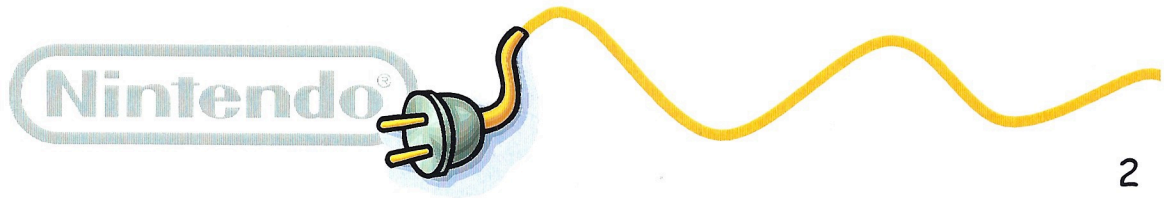
Nintendo®

Presented by The Marketing Store

June 3, 2002

Agenda

- Delivering the Happy Meal Experience
- Nintendo Happy Meal Concepts
- Nintendo's Promotional Needs and McDonald's Delivers
- Next Steps



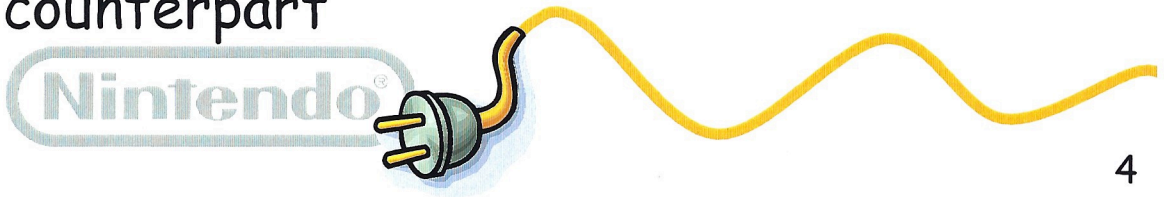
Delivering the Happy Meal Experience

- Kid's favorite toys
- Family friendly
- Kids favorite food
- Entertainment

"Kids understand there is a difference between retail and promotional product"

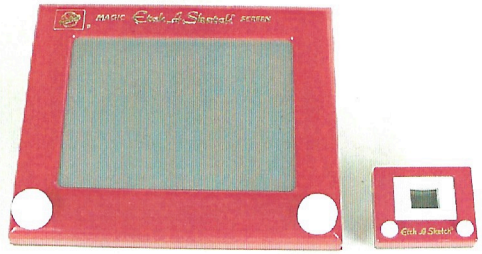
McDonald's created the kids meal experience and continues to remain leaders with over 50% market share resulting in:

- Over 20 years experience conditioning kids and managing their product expectations
- Distributing over 5B toys in North America alone (over past 5 years)
- McDonald's customer satisfaction never receives complaints on the premium toy function compared to retail.
- Research continues to validate consumers expectations are different for a Happy Meal premium versus retail counterpart



Examples of Retail and Premium Comparisons

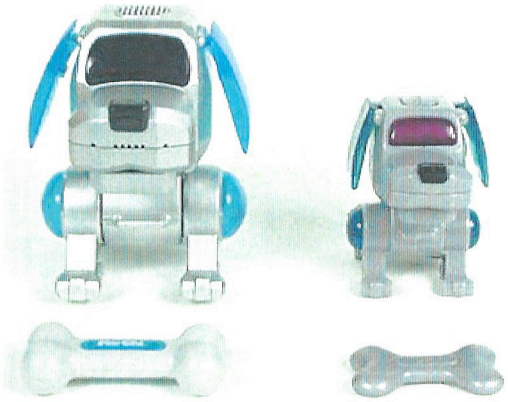
Ty Beanie Babies



Etch-A-Sketch

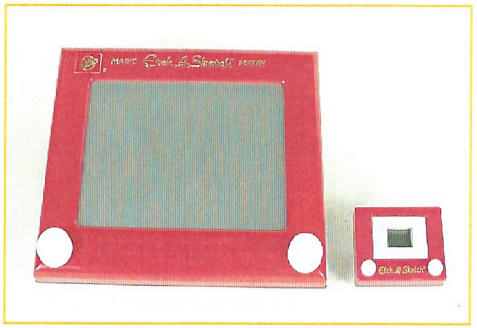
Mattel Barbie

Madame Alexander



Tiger Poochie"

"McDonald's Delivers the Essence of our Partner's Property"



	Etch-A-Sketch	
	Retail	Premium
Price	• $14.95	• Free w/ purchase
Size	• 8"x9.75" x 1.25"	• 3"x7.5"x 2.5"
Function	• Plastic screen w/ aluminum powder allowing consumers to create unique designs	• LCD Screen w/three images that appear when child pushes the button

Madame Alexander	
Retail	Premium
• $99.95	• Free w/ purchase
• 8" tall	• 5" tall
• High-end collector doll w/ removable clothes and blinking eyes	• Series w/ non-removable clothes; simplified decoration

Tiger "Poochie"	
Retail	Premium
• $24.99	• Free w/ purchase
• 4"x 6.3"x5.6"	• 2.75"x4"x4"
• Multiple functions: walks, sits, barks, lights 50+ different combinations	• Manually sits, barks and lights up with 6 different combinations

Nintendo®

"McDonald's Partners with the Best In Class"

Consumers expect the best properties and most popular trends with McDonald's Happy Meals

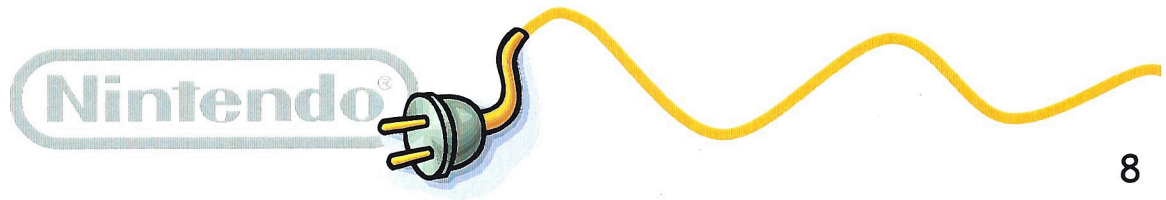
Our Happy Meal portfolio delivers:

- Top entertainment licenses
- Mature retail brands
- Emerging trends

"Long-Term Relationships are a Tribute to Our Partners Success"

Number of Happy Meal programs from our top partners over the past five years:

- Disney Alliance – 38 programs
- Hasbro/Tiger – 8 programs
- Mattel – 6 programs
- Ty/Beanie Babies – 4 programs



"It's More Than a Toy...It's an Event!"

Creating an "event like atmosphere" with key Happy Meal communication channels to drive demand and awareness including:

Merchandising

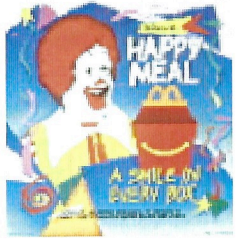
- In-store/Drive-thru signage - Ronald Merchandiser
- McDonald's Fun Times Magazine
- Polybags
- Inserts

Advertising/Promotion

- K 2-11 Targeted Advertising
- In-Store Special Events - "Blast-Off"
- PR Initiatives (National/Local)

"It's More Than a Toy...It's an Event!"

Merchandising Examples:



Store Signage

Barbie
FREE
Hardcover Book!
$1.50 for postage and handling required.
Barbie
The Class Act
Barbie® stars in a thrilling chapter-book adventure, The Class Act. As a new fifth-grade teacher, Barbie has her students work on an exciting science fair project that gets the whole class hopping! Features vivid, full-color photos.
No obligation to buy anything else!
See details on reverse.

Barbie Insert

Ronald Merchandiser

"It's More Than a Toy…It's an Event!"

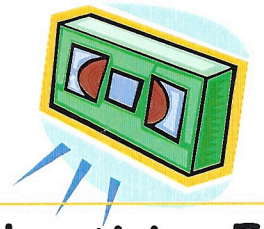
Advertising/Promotional Examples:

McDonald's Offers Dressed-Up Dolls In Promotion to Win Girls' Loyalty

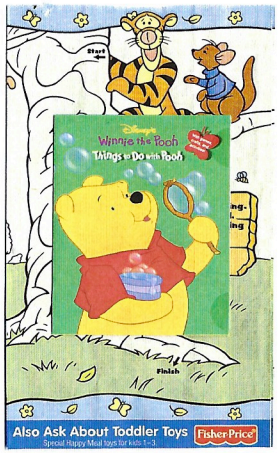
Wall Street Journal – April 8, 2002

Disney a Happy Meal Ticket For McDonald's

Chicago Tribune – October 24, 2001



For Advertising Examples, please view enclosed video tape.



"Blast-Off" Winnie-The-Pooh

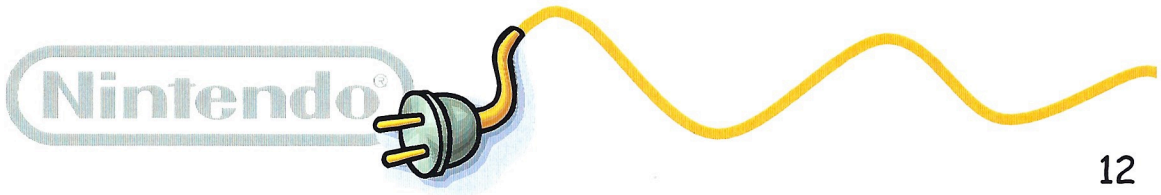
"Blast-Off" Battle Bots

"Blast-Off" (free tipped-on premium to the HM bag during the first week or as supply lasts)

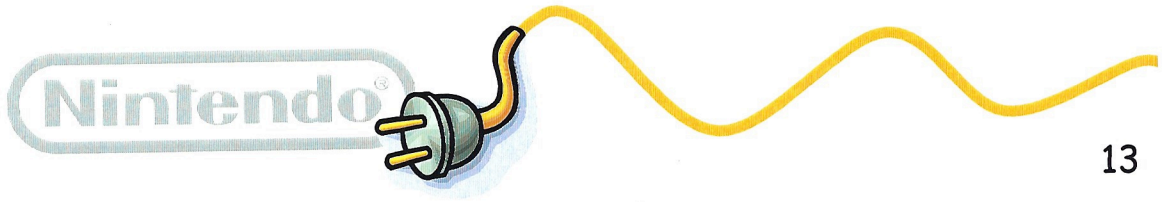
Delivering the Happy Meal Experience

Components:

- Happy Meal Premium
- Best Partners
- Communicating the Event



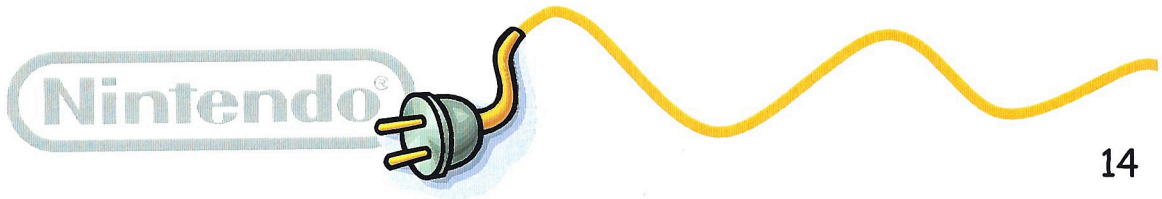
Nintendo
Happy Meal Concepts



Nintendo Happy Meal Concepts

The following examples are "thought starters" that represent potential strategic approaches for a Happy Meal program featuring the Nintendo brand.

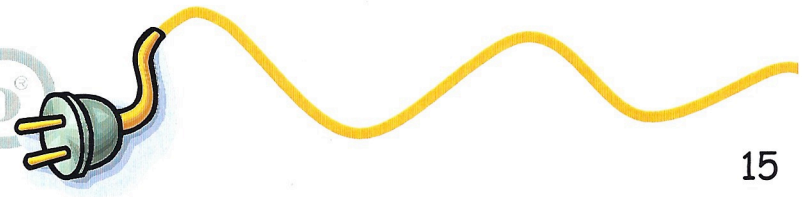
Please note that this is not recommended ad copy and we look forward to developing the promotion and communication materials with Nintendo.



Three Directions

In order to find truly relevant strategic approaches, we looked to the Game Boy itself for inspiration…

and we found three directions.



Receive a mini Game Boy

Positioning:

Explore new worlds with unique and exclusive mini Game Boys. Just get your hands on a McDonald's Happy Meal...powered by Nintendo. You will find mini Game Boys that actually work. Each one featuring a different color and unique game. How can they do that? See for yourself and get over to McDonald's. But, you will have to stop in soon, because these games will fly, drive or jump away soon.

Receive a mini Game Boy

Strategy:

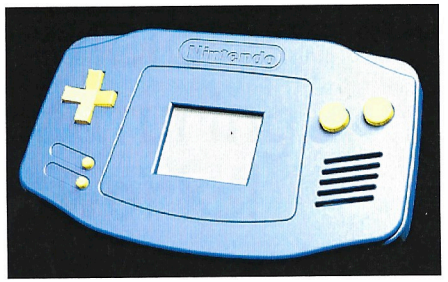
When kids get a glimpse of the shape and colors of Gameboy they instantly know what it means... you can see their fingers start to twitch. So, make the Happy Meal toy look like the real deal, only smaller and with less function.

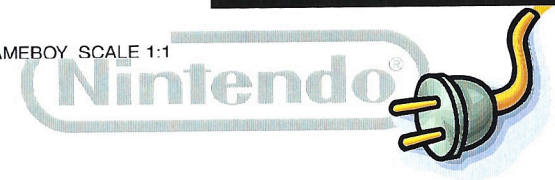
Receive a mini Game Boy

A series of mini Game Boys each featuring a different, translucent color and unique game.

• GAME BOY ADVANCE RETAIL SCALE 1:1

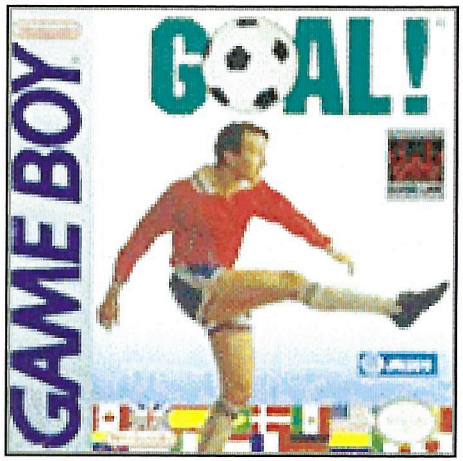
• MC DONALDS HAPPY MEAL GAMEBOY SCALE 1:1





→ not actual size

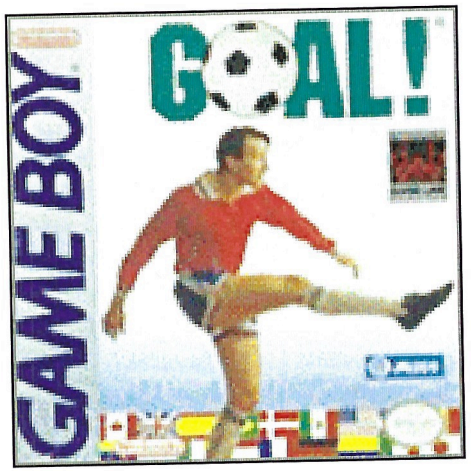
Master the Game Play



Positioning:

It's the action-packed game. It's the Nintendo characters. It's the McDonald's Happy Meal...powered by Nintendo. Imagine mini hand held electronic games, each one featuring a different game that actually works! Plus, the action and Nintendo character on the inside is also featured on the outside. So get your McDonald's Happy Meal...powered by Nintendo and hurry, so you can get into the game.

Master the Game Play



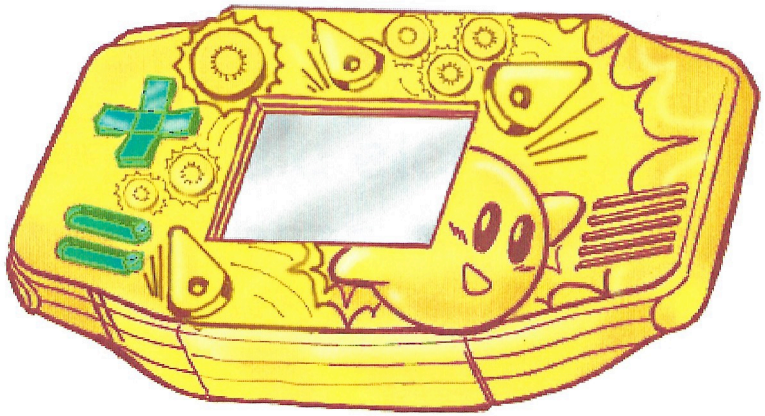
Strategy:

Game play and characters drive the experience of the handheld game. Kids enjoy the competition and aspirational nature of the games such as driving, pinball and soccer.

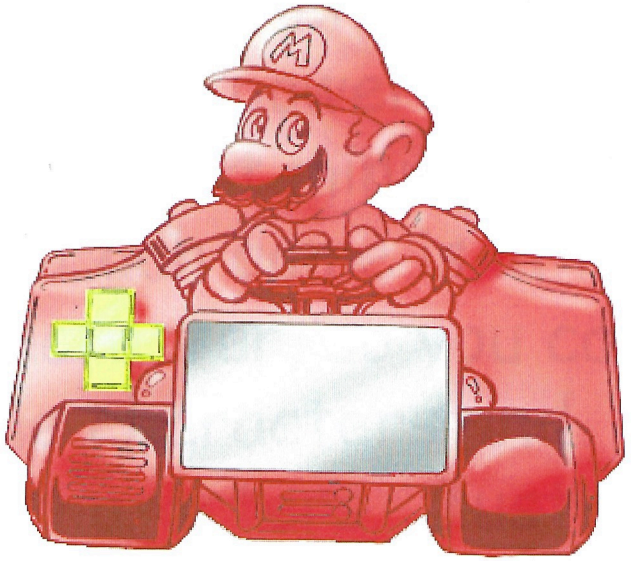
Design of the housing highlights the game and character inside.

Master the Game Play

This series of designs features kids favorite games and characters.



Kirby/Pinball

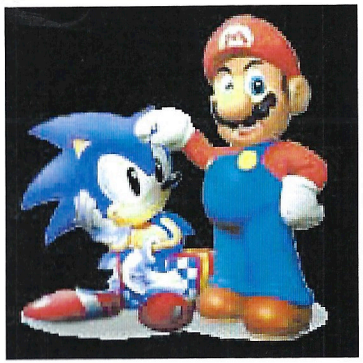


Mario/Driving

Play with the Nintendo Characters

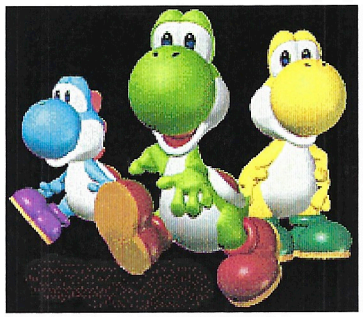
Positioning:

Meet the Nintendo characters up-close and personal at McDonald's. Mario, Kirby, Yoshi and Friends, they're all here. It's the McDonald's Happy Meal...powered by Nintendo. Come in and collect mini hand held electronic games. Each game is in the shape of a Nintendo character, so you can play two ways; with the characters and with the games in the characters. Just go to McDonald's today before these Nintendo characters fly, jump or drive away.



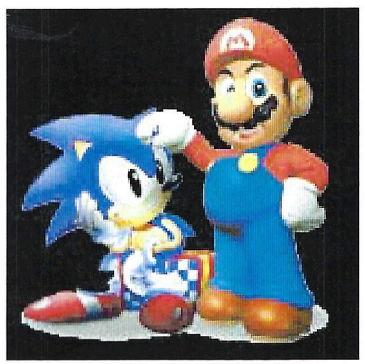
Play with the Nintendo Characters

Strategy:



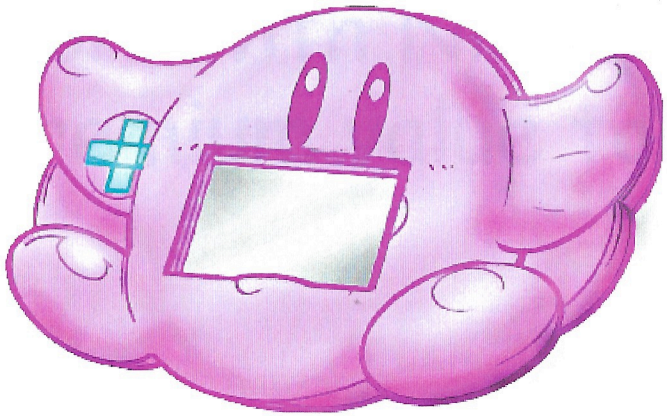
Nintendo remains the intellectual properties leader in the gaming industry.

Utilize the Nintendo star characters in a unique hand held game by featuring Mario, Kirby, Yoshi and Friends in the housing and game play.

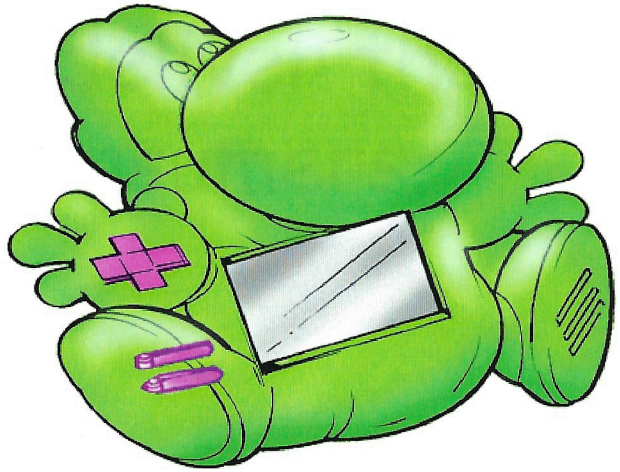


Play with the Nintendo Characters

A series of character focused housing each including a unique game.



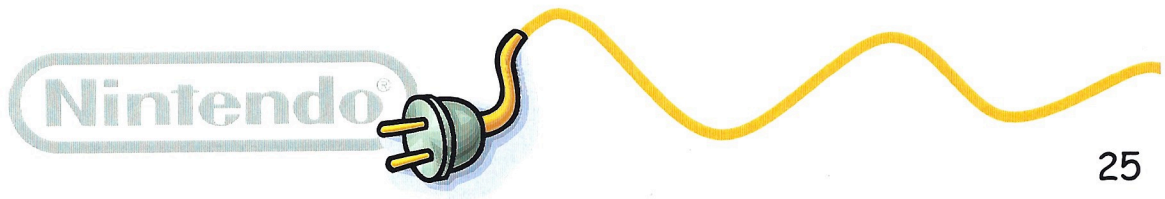
Kirby



Yoshi

Product Execution/Technology

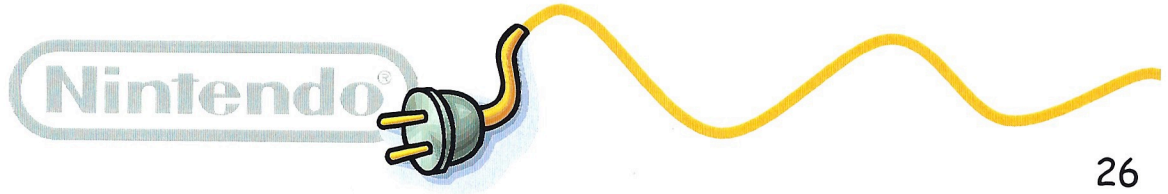
The following technology is an example of the minimum amount we can offer within this price point. Our plan is to work with Nintendo to deliver the best premium value to our consumers.



Product Execution/Technology

Minimum parameters for the game visuals.

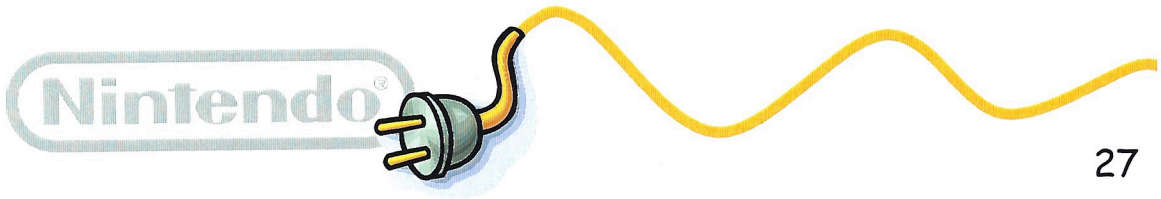
- LCD Screen
- One-color gray/black imagery
- 16-20 character/icon images
- Magnifier lens – built in to actual piece



Product Execution/Technology

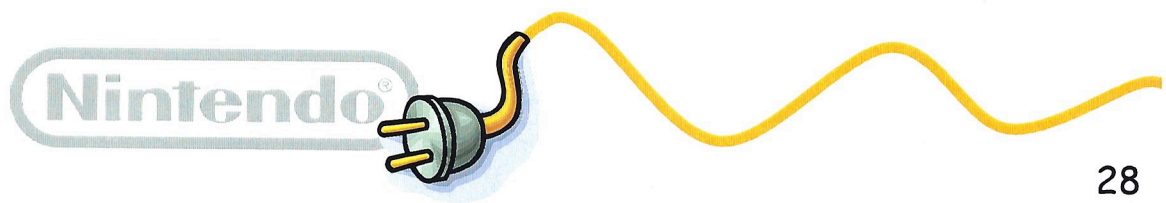
Minimum parameters for the game play:

- Custom IC chip
- Multiple levels via scoring and speed
- One to two control buttons
- Sound mechanism - positive and negative response



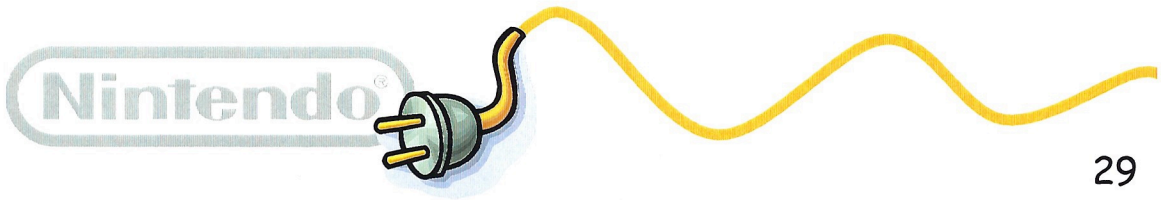
Product Execution/Technology

Computer simulation



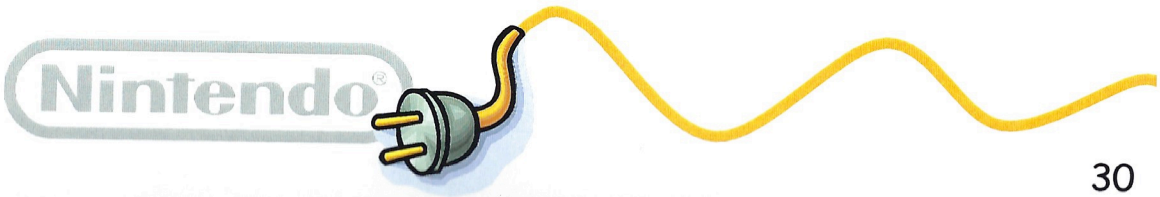
Nintendo's Promotional Needs

McDonald's Delivers



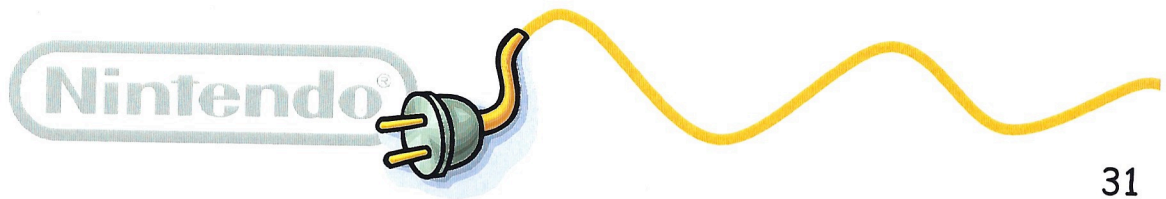
Nintendo's Promotional Needs and McDonald's Delivers

Nintendo's Promotional Needs	McDonald's Delivers
Consistently deliver a positive experience with the Nintendo Brand	Leverage 20+ years of the Happy Meal experience: • Exceptional toy value • World class brands/properties • Kids favorite foods • Award winning advertising • Positive family environments • Communication and exposure in over 13, 000 locations in North America • Integrated packaging



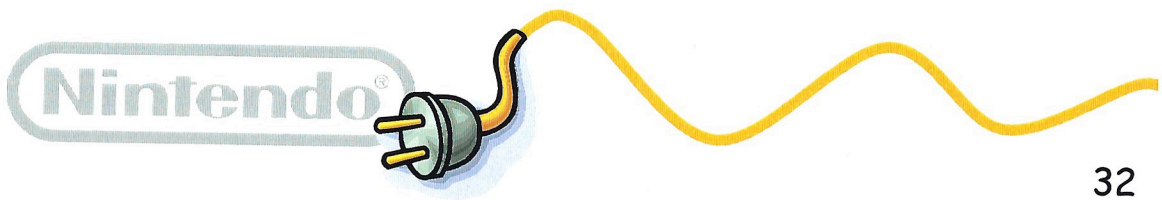
Nintendo's Promotional Needs and McDonald's Delivers

Nintendo's Promotional Needs	McDonald's Delivers
Communicate brand Nintendo via strategic promotional partners	Promotional tie-in with McDonald's NA to deliver extensive Nintendo exposure • Receive close to 325MM kid impressions via TV support. • Receive an incremental +22MM impressions PER DAY via in-store merchandising support. • Three to four-week time period.



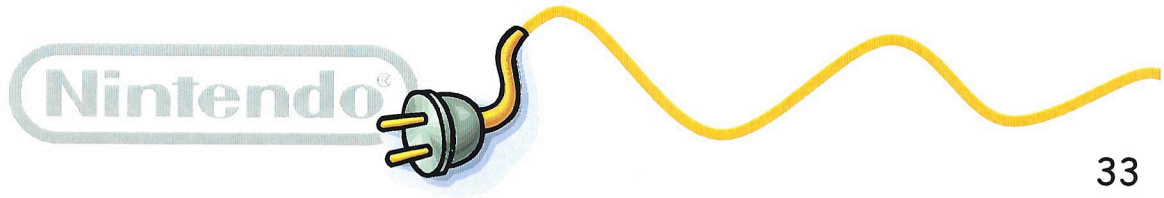
Nintendo's Promotional Needs and McDonald's Delivers

Nintendo's Promotional Needs	McDonald's Delivers
Deliver fully integrated events that deliver strategic brand representation. • Support key urban brand sampling initiative for Game Boy Advance. • Provide consumers with opportunities to win Game Boys and/or Game Cubes.	Reach 60+mm kids via hand-held HM event: • Provide local store marketing opportunities in key demographic McDonald's restaurants. • Toy packaging and food & store communication (POP, in-store, drive-thru signage). • "Blast-Off" a free Nintendo item tipped to bag during 1st week to drive awareness.



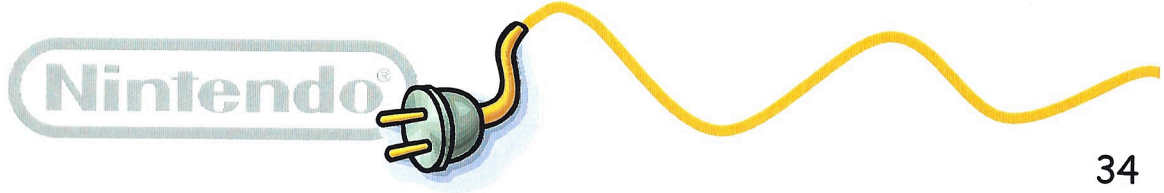
Nintendo's Promotional Needs and McDonald's Delivers

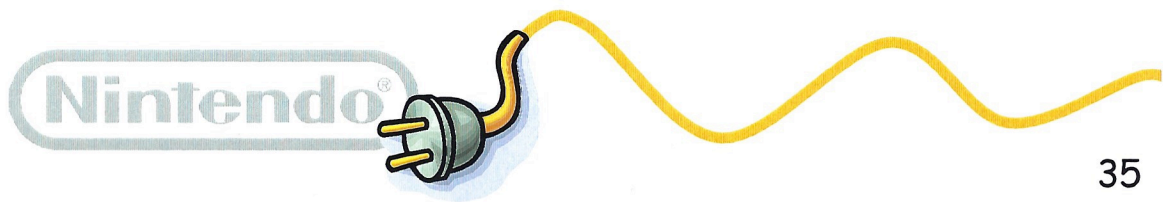
Nintendo's Promotional Needs	McDonald's Delivers
Provide an interactive experience that encourages retail software and hardware purchases.	• Develop a positioning that clearly differentiates the HM offering from retail (i.e. Powered by Nintendo). • Utilize inserts and/or sweeps to drive awareness of new software and product. • Leverage key Nintendo retail partners (i.e. Toys R Us).



Program Details

- Timing - Summer 2003 (Highest volume time period for McDonald's)
- Designs - 4-8 each with unique game
- Volume - 60+mm units
- Region - North America



Next Steps

- Feedback by Friday, June 7 for program approval.